

Texas Skyward User Group Conference
Payroll Encumbrance Process
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Payroll Encumbrance Process



Payroll Encumbrance Process

- Establish encumbrance to the payroll budget.
- Allows budget manager to track and review budget commitments for payroll budget.
- Provides better tracking of available budget balances at year end. (Especially helpful for 6/30 schools).

Payroll Encumbrance Process



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Payroll Encumbrance Process can be used by districts to encumber (commit) the salary budgets for each of the employees. This process creates a Payroll Purchase order for the annual salary amounts and then each month after the payroll is run the process will reduce the encumbered amount left for the remaining payrolls.

First step to the process is to create a specific Purchase Order Group. This process may be done by your Business Department.

Financial Management/Purchasing/Setup/Configuration/Requisition/Purchase Order Groups.

You will need to make sure your Payroll is configured to use Payroll Encumbrances. Web/Human Resources/Payroll/Setup/Configuration/General Options – add the Payroll Encumbrance Group that has been created.

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Add a Payroll Encumbrance Account Clearance Group and Filter for the accounts that will be used in the Payroll Encumbrances (assistance from Finance Department).

Once these steps are complete you are ready to create a payroll encumbrance.

Navigate to Human Resources/Payroll/Create Encumbrance and select Process.

Select Add - defaults to current date, select Batch Number. The Batch Number can be specific for a group of employees i.e. Maintenance, a specific payroll process i.e. mid-month, monthly or can include all employees. You can also create a process for individual employees. Save and Change Pays Remaining.

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If you are creating your process at the beginning of your payroll year – no changes will need to be made to the Pays Remaining. Review each of the frequency codes to verify the remaining pays for your group.

Next screen is benefits – this is auto set to reduce by one each time you run your process.

Select Plans – select the Employee Management Plan the employees are in.

Add Selection Parameters – you will need to create the parameters for the employees you will be creating encumbrances for. In these parameters you will also need to determine the Additional Codes and Settings i.e. all benefits or selected benefits, all frequencies or selected, all pays or selected, all account ranges or selected.

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Add Email Recipients if specific staff need to know the encumbrance status i.e. Business Manager. You do not have to add email recipients but you must save.

Once your have established the group or individual employee you want to have a payroll encumbrance created for - select the Run Now tab.

Once the process is complete a report will generate listing number of encumbered purchase orders created and the total dollar amount encumbered. A purchase order will be created for each employee.

Review the purchase orders created under the Payroll/Create Encumbrances/View Purchase Orders tab. Verify any discrepancies. (Review contract amounts for employees, number of pays completed and/or remaining, balances etc.)

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After each payroll is processed or at the end of the month - encumbered payroll processes should be updated.

Navigate back to the process, select the Batch you want to update, edit, select Pay Frequency and then select Reduce Remaining Pays by 1. Close screen and select Run Now.

The process will reduce the encumbrance by the previously completed payroll and encumber any remaining pays. Review the report generated and review the revised purchase orders. The report will show total amount liquidated and new encumbrance amount. **YOU MUST RUN THIS PROCESS AFTER EACH PAYROLL.**

Run a detailed Purchase Order Report to review each encumbrance – Financial Management/Purchasing/Reports/Requisition/PO Listing Report – Change parameters to only print your Payroll Encumbrance Group.

At the end of your fiscal year actual payroll expenses should have posted to each budget account. Once all postings are completed – Liquidate and Close All PO's Regardless of Batch Number must be run. (Payroll/Create Encumbrances/Process/Liquidate....)

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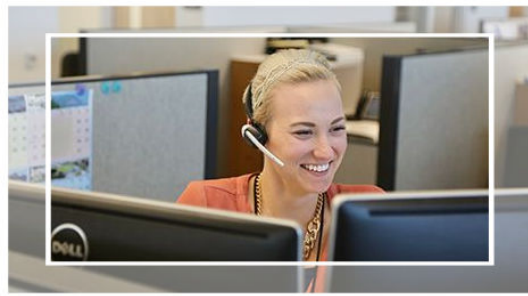


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Questions?

Thanks for attending!

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THANK YOU FOR ATTENDING

